



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

COUNCILMEMBERS

Mary Kay Sigaty, Chairperson
District 4
Jon Weinstein, Vice Chairperson
District 1
Calvin Ball
District 2
Jennifer Terrasa
District 3
Greg Fox
District 5

Minutes (approved)

Monthly Meeting

April 13, 2015

8:30 a.m.

C. Vernon Gray Conference Room

Members Present: Mary Kay Sigaty, Chair; Jon Weinstein, Vice Chair; Calvin Ball; Greg Fox; Jen Terrasa

Staff Present: Jessica Feldmark, Administrator; Craig Glendenning, County Auditor

The Chair opened the meeting at 8:35 a.m.

Columbia Downtown Housing Corporation: Ms. Sigaty welcomed Paul Casey, CDHC Board Chair, and Tom Carbo, Director of Howard County Housing, and thanked them for attending. Mr. Casey presented CDHC's report to the Council in response to CR120-2014, summarizing the board's process in gathering stakeholder input as well as its recommendations for affordable housing requirements.

- Dr. Ball thanked Mr. Casey and CDHC for all of their work on this issue and asked Mr. Carbo for his thoughts and reactions regarding the board's recommendations. Mr. Carbo responded that he was involved in developing the recommendations and is confident that they can work. He pointed out that they are comparable to requirements in other zones in Howard County and comparable to the requirement in Montgomery County.
- Mr. Fox asked if there are any different requirements regarding the types of housing units developed based on the sources of funding utilized. Mr. Carbo responded that there are not, and Mr. Casey added that in the affordable housing industry there is a well-recognized pattern of mixed-income development that attracts investors.
- Mr. Weinstein asked about the reliability of the State and Federal funding for the financing programs which Mr. Casey and Mr. Carbo referred to in their examples. Mr. Carbo responded that the 4% Low Income Housing Tax Credit is the most likely program to be used and that the funding is reliable.
- Mr. Weinstein asked if development projects in other parts of the county are consistent in cost. Mr. Carbo explained that the models they have developed assume the actual costs of development in Downtown based on the Metropolitan.
- Mr. Weinstein asked if financing a mixed-income project Downtown would be of similar complexity to the mixed-income development planned at Riverwatch in Elkrige. Mr. Carbo agreed that the financing is very complex, but that the flexibility proposed in the board's recommendation helps address that concern. Mr. Casey added that HHC has acknowledged that they would partner with an experienced affordable housing developer.
- Mr. Weinstein asked if there are any significant differences between Howard County's MIHU program and the requirements in Montgomery County. Mr. Carbo responded that they are very similar.

- Mr. Fox asked about differences between the example of Riverwatch and a mixed-income project in Downtown Columbia. Mr. Carbo responded that the higher market-rate rents in Downtown Columbia would offset the difference in development costs. Mr. Casey added that, based on the price of the land for the Costello project, the \$35-36 million dollars returned to the developer under the board's proposal would cover the cost of 10-11 acres of land Downtown.
- Dr. Ball asked Mr. Casey to speak about the MOU he had referenced which was never signed. Mr. Casey explained that CDHC had extensive negotiations with HHC in an attempt to reach agreement on specific development plans to deliver affordable units and that HHC ultimately chose to focus instead on seeking a broader agreement with the County which would address multiple issues including housing.
- Dr. Ball asked the guests to share their reactions to concerns raised by the Chamber of Commerce that the recommendations would create uncertainty and have a chilling effect on economic development. Mr. Casey said he understands the Chamber's concern about predictability and emphasized that the Downtown Columbia Plan has always called for affordable housing. He explained that affordable housing has essential economic development benefits for Downtown and added that CDHC's recommendations seek to maintain a similar return on investment for the developer.
- Mr. Fox asked about how the inclusion of affordable housing would impact the fiscal impact of Downtown on the County. Mr. Casey stated that the fiscal impact on the County was not part of their analysis. Ms. Sigaty suggested that staff confirm that the original fiscal impact analysis for the Downtown Columbia Plan included affordable housing in its assumptions.
- Dr. Ball asked the guests to address a concern raised by the Columbia Association about condo fees and their impact on housing affordability. Mr. Carbo confirmed that the MIHU pricing formula for for-sale units includes condo fees.
- Mr. Fox asked what will be done to make sure that these units would go to individuals who would live and work in the County. Mr. Casey explained that the units would not be restricted by employment but would be marketed to promote living and working Downtown. Mr. Carbo added that the MIHU program has a preference for people who live and work in the county.
- Mr. Weinstein asked about the recommendation to focus on affordable housing only within the boundaries of Downtown. Mr. Casey explained that there is both a legal requirement that CDHC focus within the boundaries of Downtown and a strong belief that Downtown Columbia should be fully economically integrated.

Ms. Sigaty thanked Mr. Casey and Mr. Carbo for the presentation and discussion and explained that the Council will be continuing its consideration of CDHC's recommendations in additional meetings to be scheduled.

Budget Update: Ms. Sigaty welcomed Holly Sun, Budget Director. Dr. Sun explained that revenue projections for FY16 show a 1.5% increase over FY15, excluding one-time funding. The State has not yet made a final decision on State Aid.

- Dr. Ball asked about FY15 budget cuts, reiterating the Council's previous request for additional detail about the impact of the reductions made. Dr. Sun stated that the budget office is still following up with departments to compile more detail on the impacts of those cuts but has shifted its focus to FY16 budget development.

- Dr. Sun also mentioned that the Administration will be proposing an amendment to the FY15 budget to cover the costs of snow removal.
- Ms. Sigaty and Mr. Weinstein emphasized the need to understand how the FY15 budget reductions will relate to the proposed FY16 budget for each department.

Council Administrative Policies and Procedures: Ms. Sigaty reminded members that the Council is to approve its policies and procedures at the beginning of each term. Mr. Weinstein moved to approve the proposed Administrative Policies and Procedures, and Dr. Ball seconded. The motion passed unanimously.

Council Member Reports: Ms. Sigaty had no Chairperson's report. She reported that the Patuxent River Commission will be sponsoring a two-day conference in June. She will forward details on registration as soon as they are available. She also reported that the Commission had a very positive initial meeting with David Craig, Director of the Maryland Department of Planning. Ms. Terrasa referenced the MACo materials which she had distributed earlier. Mr. Fox referenced the NACo materials which he had forwarded earlier.

Staff Reports: Ms. Feldmark referenced her written report and also reminded members to submit their follow-up questions for the Spending Affordability Committee in preparation for their conversation at the budget work session. Mr. Glendenning reported that his staff is wrapping up a few additional audit reports and then shifting its focus to budget analysis.

The meeting was adjourned at 9:53 a.m.